GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

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INDUSTRIAL DEVELOPMENT
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the foreign industrialists have shown their interest to invest in the country;

(b) if so, the details thereof;

(c) whether the Government proposes to ask them to set up their industries in remote and rural areas of the country;

(d) if so, the response of foreign industrialists in this regard; and

(e) the steps taken by the Government for the balanced industrial development of the country and the feeling of insecurity prevailing in the minds of the general public?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): Yes, Sir. Foreign Direct Investment (FDI) inflows in the country has increased from US$ 3.75 billion in the year 2004-05 to US$ 5.5 billion up to March 2006. During the current financial year (April-December 2006) US$ 9.3 billion FDI inflows has been received in the country which amounts to an increase of 151% over the inflows received during the corresponding period of the previous financial year.

(c) & (d): Government has put in place a liberal and transparent policy for FDI. Under the liberalised economic environment, investment decisions, including choice of location, are taken by the entrepreneurs based on their techno-economic judgements and commercial considerations.

(e): In order to have a balanced industrial development in the country, Government has offered concessions to both domestic and foreign investors, in the form of excise exemption, income tax exemption and investment subsidy for promoting industrial activities in the States of North East, Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Government is also in the process of initiating steps to evaluate afresh the industrially backward areas with a view to encouraging industrial development of such areas including in the hinterland and rural areas.